

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

CHILDHOOD AND FAMILY LEARNING FOUNDATION

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

CHILDHOOD AND FAMILY LEARNING FOUNDATION

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Childhood and Family Learning Foundation

We have audited the accompanying financial statements of the Childhood and Family Learning Foundation (the Foundation) which comprise the statements of financial position as of June 30, 2014 and 2013 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Childhood and Family Learning Foundation as of June 30, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2015, on our consideration of the Childhood and Family Learning Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Childhood and Family Learning Foundation's internal control over financial reporting and compliance.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
January 20, 2015

CHILDHOOD AND FAMILY LEARNING FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 627,662	\$ 129,352
Accounts Receivable - Grants and Contracts	2,012	27,500
Prepaid Expenses	9,124	11,712
Other Receivables, Net	-	498,661
Deposits	1,000	1,000
Furniture & Equipment, Net	<u>24,575</u>	<u>35,186</u>
Total Assets	<u>\$ 664,373</u>	<u>\$ 703,411</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 3,678	\$ 14,119
Accrued Expenses	<u>1,995</u>	<u>-</u>
Total Liabilities	<u>5,673</u>	<u>14,119</u>
Net Assets		
Temporarily Restricted	200,379	85,000
Unrestricted	<u>458,321</u>	<u>604,292</u>
Total Net Assets	<u>658,700</u>	<u>689,292</u>
Total Liabilities and Net Assets	<u>\$ 664,373</u>	<u>\$ 703,411</u>

The accompanying notes are an integral part of the financial statements.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

UNRESTRICTED NET ASSETS	<u>2014</u>	<u>2013</u>
Unrestricted Support and Revenue		
Grants and Contracts	\$ 69,000	\$ 62,813
Contributions	12,024	50,727
Fundraising	52,798	24,680
Rental Income	-	-
Other Income	23	9,662
Interest Income	1,436	1,622
Loss on Disposal of Assets	-	-
Net Assets Released from Restriction	<u>429,492</u>	<u>371,348</u>
Total Unrestricted Revenue and Other Support	<u>564,773</u>	<u>520,852</u>
Expenses		
Program Services	480,396	387,288
Supporting Services	105,720	83,323
Fundraising	124,628	114,348
Total Expenses	<u>710,744</u>	<u>584,959</u>
Change in Unrestricted Net Assets before Extraordinary Items	(145,971)	(64,107)
Settlement Income	-	586,562
Settlement Expenses	-	(87,901)
Increase / (Decrease) in Unrestricted Net Assets	<u>(145,971)</u>	<u>434,554</u>
Temporarily Restricted Revenue and Support		
Contributions	6,120	50,000
Grants and Contracts	538,751	334,844
Net Assets Released from Restriction	<u>(429,492)</u>	<u>(371,348)</u>
Increase / (Decrease) in Temporarily Restricted Net Assets	<u>115,379</u>	<u>13,496</u>
Increase / (Decrease) in Net Assets	(30,592)	448,050
Net Assets at Beginning of Year	<u>689,292</u>	<u>241,242</u>
Net Assets at End of Year	<u>\$ 658,700</u>	<u>\$ 689,292</u>

The accompanying notes are an integral part of the financial statements.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase / (Decrease) in Net Assets	\$ (30,592)	\$ 448,050
Depreciation	13,069	12,535
Loss on Disposal of Assets	-	-
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Temporarily Restricted due to use Constraints	-	-
Increase (decrease) in operating liabilities:		
Accounts Receivable - Grants and Contracts	25,488	2,570
Other Receivables	498,661	(498,661)
Prepaid Expenses	2,589	5,764
Deposits / Rental Deposits	-	-
Accounts Payable / Accrued Liabilities	<u>(8,447)</u>	<u>5,467</u>
Net cash provided (used) by operating activities	<u>500,768</u>	<u>(24,275)</u>
Cash Flows from Investing Activities		
Proceeds from Sale of Assets	-	-
Purchase of Assets	<u>(2,458)</u>	<u>(20,000)</u>
Net cash provided (used) by investing activities	<u>(2,458)</u>	<u>(20,000)</u>
Net increase / (decrease) in cash and equivalents	498,310	(44,275)
Cash and equivalents, beginning of year	<u>129,352</u>	<u>173,627</u>
Cash and equivalents, end of year	<u>\$ 627,662</u>	<u>\$ 129,352</u>

The accompanying notes are an integral part of the financial statements.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Childhood and Family Learning Foundation (the "Foundation" or "CFLF") is a Louisiana nonprofit 501(c)(3) corporation. CFLF addresses physical and mental health barriers for successful children by working in partner child care centers and schools. The Health and Wellness Team utilizes a holistic approach to address the needs of at-risk children through a school-based team of multidisciplinary professionals with expertise in education, health, and mental health. The team develops individual plans for the needs of each high-risk child, identified as having potential concerns by teachers, administrators, school staff, parents or students themselves. Plans of action and interventions are then monitored to ensure that the needs are met and the barriers to success are removed, and parents are involved throughout the process. CFLF also addresses the sustainability for this program by working with schools to file for Medicaid provider status.

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Financial statement presentation is in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets as of June 30, 2014 and 2013. The Foundation's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributed Services

No amounts have been reflected in the financial statements for contributed services since the recognition criteria under accounting principles generally accepted in the United States of America have not been met.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Furniture and Office Equipment

Furniture and office equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. The Foundation's threshold for capitalization is \$1,000. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Income Taxes

The Foundation is a not-for-profit Foundation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Foundation occasionally maintains deposits in excess of federally insured limits. The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. At June 30, 2014, there are no significant concentrations of credit risk arising from cash deposits in excess of federally insured limits.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenses

Support for the Foundation is provided primarily by grants funded by private foundations and by State and Federal agencies. Grant revenue is recognized as expenditures for allowable grant purposes are incurred. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue. Expenses are to be made in accordance with grant budgets that have been adopted.

Economic Dependency

Support for the Foundation is provided primarily by grants from private foundations and through agencies of the State of Louisiana and the Federal Government. The continued operations of the Foundation are dependent upon the renewal of current grants and / or the procurement of additional funding sources.

NOTE B - FURNITURE AND OFFICE EQUIPMENT

Furniture and office equipment consist of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Furniture and Equipment	\$ 31,090	\$ 31,090
Computer Equipment and Software	<u>51,528</u>	<u>49,070</u>
	82,618	80,160
Less: Accumulated Depreciation	<u>(58,043)</u>	<u>(44,974)</u>
Total	<u>\$ 24,575</u>	<u>\$ 35,186</u>

Depreciation expense for the years ended June 30, 2014 and 2013, totaled \$12,535 and \$14,951, respectively.

NOTE C - COMMITMENTS AND CONTINGENCIES

Information Technology (IT) Technical Assurance Services

The Foundation signed a memorandum of understanding with Louisiana Public Health Institute (LPHI) to provide IT Technical Assurance Services to the Foundation. The memorandum was signed on April 1, 2008, and was renewable on a quarterly basis. The contract ended when the Foundation moved to its new location in 2012.

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE C - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Equipment Maintenance Services

The Foundation signed a maintenance agreement with Applied Business Concepts (ABC) to provide copier maintenance services to the Foundation. The agreement was signed on February 28, 2013, and expires on February 27, 2014. For the fiscal year ended June 30, 2014, total expense reported under this arrangement was \$1,531.

Operating Leases

The Foundation executed a lease for a copy machine on April 28, 2010. The lease required monthly payments of \$438 through February 2013 and payments of \$299 beginning in March 2013. In July 2013 the lease was renegotiated for a monthly lease payment of \$217. Total expense incurred during the years ended June 30, 2014 and 2013, totaled \$2,855 and \$4,509, respectively.

The Foundation also executed a lease for a postage meter on May 5, 2010. The lease required 60 monthly payments of \$80. The lease was terminated and paid in full during the year ended June 30, 2013. Total lease payments incurred during the years ended June 30, 2014 and 2013, totaled \$0 and \$2,000, respectively.

On April 24, 2012, the Foundation executed a gross commercial lease agreement with Operation REACH, Inc. The term of the lease is six months, expiring on November 11, 2012, requires monthly payments of \$2,000, with a security deposit of \$1,000. The lease was extended for one year from the original expiration date. In November 2013, the building was sold and the lease agreement with the Foundation as assumed by the new owners with a monthly lease payment of \$2,150.

The future minimum lease payments under the above leases are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Lease Commitment</u>
2015	\$ 28,404
2016	<u>27,753</u>
Total	<u>\$ 56,157</u>

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2014 and 2013, have the following donor restrictions on them:

	<u>2014</u>	<u>2013</u>
Blue Cross Blue Shield - Health and Wellness	\$ -	\$ 20,000
Freeport McMoran - Health and Wellness	-	15,000
Institute of Mental Health - Health and Wellness	12,500	25,000
United Way/Kabacoff - Health and Wellness	-	25,000
Entergy Services	75,000	-
GNOF Impact Grant	10,039	-
New Orleans Rotary Club	1,000	-
Restricted Contributions	-	-
BCM	96,840	-
Propeller / Pitch NOLA Grant	5,000	-
United Way	-	-
	<u>-</u>	<u>-</u>
Total	<u>\$ 200,379</u>	<u>\$ 85,000</u>

NOTE E - RELEASE OF RESTRICTED ASSETS

Net assets were released from restrictions by meeting the time restrictions or by incurring expenses satisfying the restricted purposes:

	<u>2014</u>	<u>2013</u>
<u>Restrictions Accomplished:</u>		
Blue Cross / Blue Shield	\$ 20,000	\$ -
Greater New Orleans Foundation / Impact Grant	41,178	-
Freeport McMoran	15,000	-
Institute of Mental Health	50,000	-
Lupin Foundation	5,000	-
Restricted Contributions - Health and Wellness Program	1,120	18,358
AT&T - Health and Wellness Program	-	25,000
BCM - Health and Wellness Program	172,194	132,083
Entergy Services, Inc. - Health and Wellness Program	100,000	150,000
McManemin Family Foundation - Health and Wellness Program	-	2,500
United Way - Health and Wellness Program	-	8,407
United Way / Kabacoff - Health and Wellness Program	25,000	25,000
Wisner Foundation - Health and Wellness Program	-	10,000
	<u>-</u>	<u>10,000</u>
Total	<u>\$ 429,492</u>	<u>\$ 371,348</u>

CHILDHOOD AND FAMILY LEARNING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

NOTE F - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See supplemental schedule I for a detailed listing of the functional allocation of expenses.

NOTE G - BP SETTLEMENT

During the year ended June 30, 2013, the Foundation filed a claim against BP as a result of losses incurred from the Deepwater Horizon oil spill. During the fiscal year ended June 30, 2013, the amount of the claim, net of settlement fees, was expected to be \$498,661 and was recorded as a receivable. The claim was paid by BP on September 24, 2013.

NOTE H - ACCOUNTING FOR UNCERTAIN TAX POSITIONS

On January 1, 2009, the Foundation adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic had no impact on the statements of financial position or statements of activities. All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2010 through 2013. Management evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

NOTE I - SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, *Subsequent Events*, addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of Childhood and Family Learning Foundation through January 20, 2015, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

This reporting package was required to be filed with the Louisiana Legislative Auditor by December 31, 2014. Due to the late approval by the Louisiana Legislative Auditor to conduct the audit, the accounting firm of Paillet, Meunier & LeBlanc, L.L.P. requested an extension for time to file this report. The extension was approved by the Louisiana Legislative Auditor on January 15, 2015.

SUPPLEMENTARY INFORMATION

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
Childhood and Family Learning Foundation

We have audited the financial statements of Childhood and Family Learning Foundation as of and for the year ended June 30, 2014, and have issued our report thereon dated January 20, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
January 20, 2015

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CHILDHOOD AND FAMILY LEARNING FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2014 Total</u>	<u>2013 Total</u>
Compensation and Fringe Benefits	\$ 143,820	\$ 52,433	\$ 18,640	\$ 214,893	\$ 71,735
Food and Beverage	219	48	1,055	1,322	750
Office Supplies	1,955	429	513	2,897	3,519
Printing and Copying	192	354	2,989	3,535	1,100
Other Supplies	1,514	190	227	1,931	1,200
Subscriptions and Other Publications	78	-	-	78	1,365
Recreation and Educational Equipment	7,574	-	-	7,574	290
Occupancy	16,969	3,727	4,454	25,150	24,000
Medical Equipment	-	-	-	-	4,149
Organization Dues	-	10	-	10	65
Bank Charges	-	101	99	200	72
Liability Insurance	5,559	1,390	-	6,949	11,766
Director and Officers Insurance	1,542	339	404	2,285	2,404
Building and Equipment Insurance	746	164	195	1,105	1,115
Communications	3,794	833	996	5,623	5,316
Postage and Delivery	247	54	928	1,229	3,349
Equipment Maintenance	290	-	-	290	-
Depreciation	8,817	1,937	2,315	13,069	12,535
Parking and Tolls	147	32	39	218	53
Business Licenses and Permits	-	100	-	100	-
Certification Fees	36	-	-	36	-
Registration Fees	790	-	20	810	-
Rent - Office Equipment	2,960	650	777	4,387	6,727
Travel	1,866	117	235	2,218	1,641
Contracted Services	271,255	40,510	76,854	388,619	411,843
Legal and Professional	10,026	2,202	2,632	14,860	16,340
Event Expenses	-	-	11,256	11,256	3,374
Miscellaneous Expenses	-	100	-	100	251
Totals	<u>\$ 480,396</u>	<u>\$ 105,720</u>	<u>\$ 124,628</u>	<u>\$ 710,744</u>	<u>\$ 584,959</u>

The accompanying notes are an integral part of the financial statements.

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Childhood and Family Learning Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Childhood and Family Learning Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Childhood and Family Learning Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Childhood and Family Learning Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Childhood and Family Learning Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item number 2014-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
January 20, 2015

**CHILDHOOD AND FAMILY LEARNING FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

Part I - Summary of the Auditor's Results:

Financial Statements:

1.	Type of auditor's report	Unmodified
2.	Compliance and internal control over financial reporting	
a.	Material weaknesses identified:	None
b.	Significant deficiencies or material weaknesses disclosed by the audit of the financial statement:	None
c.	Instances of noncompliance material to the financial statements, one instance:	Finding 2014-001

Federal Awards:

N/A

Part II - Financial Statement Findings:

2014-001 *Criteria* - Instance of noncompliance with Louisiana R.S. 24:513 in which local auditees under the jurisdiction of the Louisiana Legislative Auditor must submit completed audit reports to the Louisiana Legislative Auditor within six months of the close of the entity's fiscal year.

Statement of Condition - The audit report for Childhood and Family Learning Foundation was required to be submitted to the Louisiana Legislative Auditor by December 31, 2014 for the fiscal year ended June 30, 2014. The audit engagement reporting package was submitted to the Louisiana Legislative Auditor on January 21, 2015.

Perspective on Cause and Effect - The audit engagement was approved by the Louisiana Legislative Auditor on December 2, 2014. In accordance with the Louisiana Governmental Audit Guide Section 321.01, the accounting firm of Paillet, Meunier & LeBlanc, L.L.P. began audit procedures at that time and found that not all records necessary to complete the audit were provided, causing a delay in finalizing the audit. This condition has not existed in the past and is considered to be an isolated instance.

Recommendations and Views of Responsible Officials - An earlier submission of engagement approval request to the Louisiana Legislative Auditor will be done this year. Management will provide all records necessary for the audit to be completed timely.